

Contents

Board of Directors

Management Team

List of Consultants

Chairman Message

Notice to Annual General Meeting

Notice to Preference Shareholders

Directors Report

Secretarial Audit Report

Auditors Report

Balance Sheet

Profit and Loss Account

Notes to Financial Statements

Shareholders Information Form

Attendance slip

Proxy Form

Route map to AGM Venue

Board of Directors

- **Dr. Ali Kumble** -Chairman
- **Dr. Yusuf .A. Kumble** - Managing director
- **Mr. Abdul Latheef**
- **Mr. K.N. Abdul Hameed**
- **Mr. Basir Kinningar**
- **Mr. HaneefaAramana**
- **Mrs. Nifri Yusuf**
- **Mrs. Raziya Ali**
- **Dr. Zulkifli Misri**
- **Dr. Elvis Rodrigues**
- **Dr. Mohammed Ismail Hejamady**
- **Mr. Prasad Bellipady Kausal**

Management Team

- **Mr. P.T. Sameer** - Chief Operating Officer
- **Mr. Chaitanya V** - Chief Financial Officer
- **Dr. Anoop Nambiar** - General Manager- Operations
- **Dr. Devanand Shetty M** - Medical Administrator
- **Mrs. Poornima Udupa** - Sr. Manager Operations
- **Mr.Tanmay Hegde** - Assistant General Manager - Pharmacy
- **Mr. Powloose Skariya** - Manager Radiology
- **Mr. Antony K.F** - Manager Maintenance
- **Mrs. Bincy Benny** - Dy. Nursing Superintendent

Investor Relation Cell:

Email: investorrelations@indianahospital.in

Cell: 0091-7760469888

Tel: 0824-2880880

Registered Office

**Mahaveer Circle, Pumpwell, Kankanady Post,
Mangalore-575002, Karnataka**

LIST OF CONSULTANTS

SN	Clinical Departments	Consultants
1	Department of Orthopedics & Joint Replacement Surgery	Dr. Naveenachandra Alva
		Dr. Vijay Mohan Budnar
2	Department of Gynecology & Obstetrics	Dr. Bhavana Y Sherigar
3	Department of Pediatrics & Neonatology	Dr. Ali Kumble
		Dr. Abhishek K Phadke
		Dr. Shakib Shafi Abbas
4	Department of Nephrology	Dr. Pradeep K.J
5	Department of Ophthalmology	Dr. Shahida Banu
6	Department of Psychiatry	Dr Sivagnanalingam Sivakanth
7	Department of Radiology	Dr. Peter Jayaraj
		Dr. Aatish Shetty
8	Department of ENT	Dr. Pallavi Pavithran
9	Department of General Medicine	Dr. Adithya V Bharadwaj
		Dr.Sayid Fahad Nizar
10	Department of Gen. & Laparoscopic Surgery	Dr. Keshav Prasad Y. V
11	Department of Cardiology	Dr. Yusuf. A. Kumble
		Dr. Abdul Munsoor K
		Dr. Jenu James Chakola
12	Department of Cardio Thoracic Surgery	Dr. Prashanth Vaijyanathan
13	Department of Neurology	Dr. Zulkifli Misri
14	Department of Anesthesia	Dr. Seema Alva
		Dr. Shanfer
15	Department of Dentistry	Dr. Meghana .S. Kumar
16	Department of Neuro Surgery	Dr. Elvis Rodrigues
17	Department of Urology	Dr. Abijith Shetty

SN	Clinical Departments	Consultants
18	Department of Emergency Medicine	Dr. Ashok Kumar K
		Dr. Ajit Alfred Solomon
		Dr. Salfi V.K
19	Department of Pulmonology	Dr.Avinash Murugan
20	Department of Dermatology	Dr.Thansiha Nargis
21	Department of Gastroenterology	Dr. Apoorva.S
22	Department of Rheumatology	Dr. Arifa Haleema
23	Department of Pathology	Dr. Bhaskar U.A

Chairman Message

Dear Shareholders,

While we are into our Sixth year of operations of our Hospital, I begin this letter with a sense of pride about how well our company has performed. I am extremely glad to inform you that our company has made its ever best net profit of Rs. 466.63 lakhs. It is not only about our strong financial performance but also about how much we have accomplished to help our patients, stake holders and the community.

Financial Performance of the Company

The financial performance of the Company has improved over the previous year as shown below:

(Rs. in Lakhs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue	4,368.63	3,825.96	3,162.17	2,926.44	2,487.62	2,087.43
EBIDTA	813.20	665.49	451.21	346.47	298.84	190.31
Cash Profit	705.68	558.01	256.07	114.14	89.45	9.67
Net Profit	466.23	263.29	15.18	(130.92)	(81.24)	(161.94)

Some of the highlights of our performance is as below:

- We had introduced gastroenterology department and the ERCP services in December 2017 and it is doing very well.
- The Company has made a net profit of Rs 466.63 lakhs. Revenue and EBIDTA of the company has grown by 14 % and 77% respectively.

As part of taking our hospital in to different height, we are planning to introduce few more departments like the Oncology, Surgical oncology etc.

Our Special Thanks

We wish to thanks all our investors who had reposed their full trust on us and supported us in our journey so far. Our sincere appreciation also to all our Consultants, Technicians Paramedics, Nursing and all Staff members for their commitment and hard work. Finally, we wish to thank all our patients and their families.

Conclusion

The next Annual General Meeting of the Company is scheduled on Thursday, the 27th September 2018. We look forward to meeting them personally during The venue of the AGM will be the hospital premises which will also provide an opportunity for our investors to see their hospital.

With Best Regards.

Dr. Ali Kumble
Chairman

NOTICE TO THE MEMBER

NOTICE is hereby given that the 8th Annual General Meeting of the members of the Company will be held on Thursday, the 27th day of September, 2018 at 11.00 A.M. at the Registered Office of the Company at Mahaveer Circle, Pumpwell, Kankanady Post, Mangalore -575002 to consider the following Business.

ORDINARY BUSINESS:

1. To receive, consider, adopt and approve the Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Basir Kinningar, who retires by rotation and is eligible for re appointment.
3. To appoint a Director in place of Mr. Abdul Latheef, who retires by rotation and is eligible for re appointment.
4. To appoint a Director in place of Mr. Haneefa Aramana, who retires by rotation and is eligible for re appointment.
5. To consider ratification by members of the re-appointment of M/s. Varma and Varma Chartered Accountants (FRN: 004532S), as Statutory Auditors of the Company for the financial year 2018-19 at a remuneration to be fixed by the Board of Directors through mutual consultation with the auditors apart from re-imbursment of expenses incurred by them in connection with the audit of the company in addition to the Statutory Audit Fees payable to them”.

SPECIAL BUSINESS:

6. To consider and pass with or without modification(s), the following resolution, as a Special Resolution:

“RESOLVED THAT in terms of Sections 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, and Companies (Prospectus and Allotment of Securities) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made there-under (including any statutory modification(s) or re-enactments thereof for the time being in force) or any other rules made there under as amended from time to time and other applicable laws, if any, each as may be applicable, and the provisions of the Memorandum and Articles of Association of the Company and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company and subject to such, consents and approvals of any statutory/regulatory authority, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded for raising by issue of securities, in one or more tranches, as per the structure and within the limits permitted by the regulatory authorities, to eligible investors of an amount not exceeding Rs. 7,14,26,040/-.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to do all such acts, deeds, matters and execute all documents as may be necessary in this regard and to delegate all or any of the power herein conferred, to any one or more Directors of the Company.”

7. To consider and pass with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Mohammed Ismail Hejamady, who in accordance with the Companies Act, 2013 is to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years, not liable to retire by rotation.

8. To consider and pass with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT Mr. Elvis Rodriguez, who was appointed as an additional director with effect from 14/09/2017 on the Board of the Company in terms of applicable provisions of the Companies Act, 2013 and articles of association of the Company and who holds office up to the date of this annual general meeting, and in respect of whom a recommendation has been received from the Nomination and Remuneration Committee, be and is hereby appointed as a director of the company.”

**By Order of the Board,
For Indiana Hospital and Heart Institute Limited,**

**Place: Mangalore
Date: 24.08.2018**

**Sd/-
Yusuf Aramanayil
Managing Director
Din: 00354740**

**Sd/-
Ali Kumble
Whole-time Director
Din:00353935**

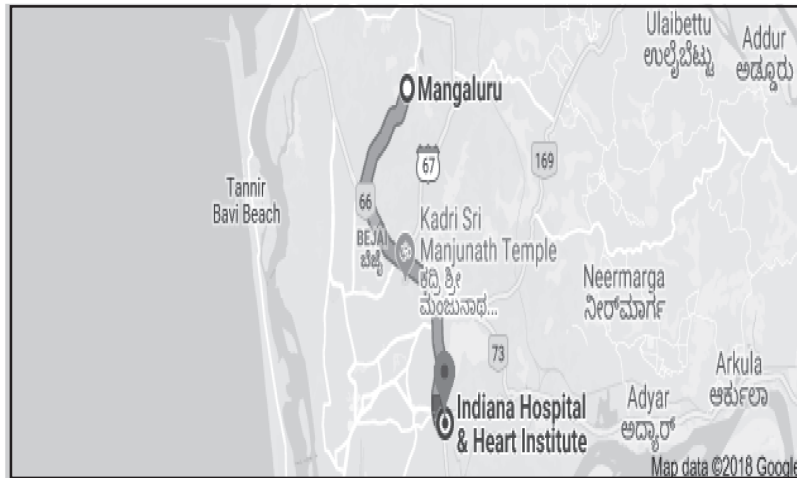
Note:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxy Form enclosed.
2. Proxies, to be effective, must reach the company not less than 48 hours before the meeting. Members are requested to notify their change of address, if any, to the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding

more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. All documents referred to in accompanying Notice and Statement pursuant to section 102 shall be open for inspection at the registered office of the Company during the office hours on all working days between 10 a.m. to 5 p.m. upto the date of conclusion of AGM.
5. Members wishing to seek further information or clarification on the Financial Statements or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Managing Director at the Registered Office of the Company.
6. Only individual members/shareholders, holding shares in physical form who wish to nominate a person under Section 72 of the Act, may furnish us required details in the prescribed Form SH-13, which is available on demand.
7. Members / Proxies should bring their copies of Annual Reports and Attendance Slips duly filled in, for attending the meeting Corporate Members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the AGM pursuant to section 113 of the Act.
8. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting

9. Route map of venue of annual general meeting.



EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

Item No. 6

The Company has been raising funds by issuing securities, from time to time.

In terms of Sections 42 and 62 of the Companies Act, 2013 and rules made there under (the “Act”), a company can undertake the issue and allotment of the shares only after obtaining prior approval of the shareholders by way of special resolution in terms of Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. Accordingly the Company proposes to issue equity shares for an amount not exceeding Rs. 7,14,26,040/-. Consent of the shareholders is sought for issuing the Equity Shares as stated in the resolution.

In terms of the rules mentioned above the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

- **Objects of the issue**
To finance (wholly or in part) one or more, or any combination, of the following: (a) capital expenditure, for ongoing and new projects and (b) general corporate purposes.
- **The total number of shares or other securities to be issued;**
The Board intends to offer, issue and allot equity shares for an amount not exceeding Rs. 7,14,26,040* /-
*being the difference between Authorised equity share capital of Rs. 55,80,00,000/- and the issued, subscribed and paid - up equity share capital of Rs. 48,65,73,960/-
- **Basis on which the price has been arrived at;**
As decided by the Board based on the valuation report.
- **The class or classes of persons to whom the allotment is proposed to be made;**
The Company intends to allot the shares to promoters, existing shareholders and other eligible investors.
- **Intention of promoters, directors or key managerial personnel to subscribe to the offer;**
Promoters and Directors intends to take part in the proposed issue of equity shares.
- **Equity Share holding pattern of the Company as on 31.03.2018**

Sl No.	Category of shareholders	No of shares	Percentage
A	Promoter Holding - Individual		
1.	Indian	26516276	54.70
2.	Non Resident Indian	9766800	20.14
	Sub Total - A	36283076	74.84
B	Non Promoter Holding - Individual		
1.	Indian	2880320	5.94
2.	Non Resident Indian	9319000	19.22
	Sub Total - B	12199320	25.16
	TOTAL -	48482396	100

- **Approvals**
The Company will take necessary steps to obtain the required approvals from the any of the regulatory agency as may be applicable, for the proposed issue of equity shares.
- **Terms of issue**
The new equity shares issued shall rank pari-passu with the existing equity shares of the Company in all respects.
- **Validity of the resolution**
The proposed resolution, if passed, shall stand valid for a period of 1 year from the date of passing of the resolution.

- **Change in control**

To the extent of the allotments made, shareholding would undergo changes. Hence the Directors recommend the resolution for members' approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

Item No. 7

The Board of Directors of the Company at its meeting held on 24th August, 2018, recommended for the approval of the Members, the appointment of Mr. Mohammed Ismail Hejamady (DIN: 07620821), as an Independent Director of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013.

In order to draw upon his rich experience in the domain of hospital and healthcare, the Board appointed Mr. Mohammed Ismail Hejamady as an Additional Non-Executive Director of the Company effective from 14/09/2017, and will vacate office at this Annual General Meeting.

Your Board considers that Mr. Mohammed Ismail Hejamady's association with the Company as an Independent Director would benefit the Company. Declaration has been received that the criteria of Independence prescribed under Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 is met by him. Your Board is also of the opinion that Mr. Mohammed Ismail Hejamady fulfils the conditions specified in the Act and the Rules there under for his appointment as Independent Director and that he is independent of the management of the Company. Hence the Board recommends this resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company, or their relatives, is interested in this resolution. The Board recommends this resolution for your approval.

Item No. 8

Mr. Elvis Rodriguez was appointed as Additional Director on 14th September, 2017 by the Board of Directors in accordance with the provisions of the Companies Act and Articles of Association of the Company. Pursuant to the provisions of the Companies Act, the said director, holds office up to the date of the ensuing Annual General Meeting. In this regard, the Nomination and Remuneration Committee has proposed his appointment as a Director in the Company. The Board feels that presence of Mr. Elvis Rodriguez on the Board is desirable and would be beneficial to the company and hence recommend item No. 8 for adoption.

None of the Directors, Relatives, Managers or Key Managerial Personnel of your Company except Mr. Elvis Rodriguez is concerned or interested in the resolution, except to the extent of their shareholding in the Company.

**By Order of the Board,
For Indiana Hospital and Heart Institute Limited,**

**Place: Mangalore
Date: 24.08.2018**

**Sd/-
Yusuf Aramanayil
Managing Director
Din: 00354740**

**Sd/-
Ali Kumble
Whole-time Director
Din:00353935**

BOARD'S REPORT

To the Members of Indiana Hospital and Heart Institute Limited,

The Directors have pleasure in placing before you the Audited Financial Statements of the Company for the financial year ended 31st March, 2018. As per the provisions of Section 134 of the Companies Act, 2013 (hereinafter called "The Act") read with Companies (Accounts) Rules, 2014 we are presenting the Board's Report as below:

1. FINANCIAL SUMMARY:

IN INDIAN RUPEES

PARTICULARS	31 st March, 2018	31 st March, 2017
Revenue from Operations	42,54,49,173/-	37,33,74,449/-
Other Income	1,14,14,229/-	92,21,999/-
Total Income	43,68,63,402/-	38,25,96,448/-
Employee benefit expenses	7,15,06,709/-	6,85,88,622/-
Depreciation and Amortization Expense	2,74,17,335/-	2,94,71,499/-
Finance Costs	1,07,62,654/-	1,07,48,176/-
Profit / Loss- Before Tax & Exceptional /		
Extra Ordinary Items	4,31,40,249/-	2,63,29,104/-
Exceptional items	-	-
Current Tax	42,23,000/-	26,23,000/-
MAT Credit entitlement	(38,32,000/-)	
Tax expense for the preceding year	(26,23,000/-)	-
Deferred Tax	43,30,000/-	-
Profit - After Tax & Exceptional/Extra		
Ordinary Items	4,10,42,249/-	2,3,7,06,104/-

2. STATE OF AFFAIRS OF THE COMPANY - Section 134(i) read with Rule 8(5)(i):

During the year under review, the Company has achieved a total revenue of Rs. 43.68 Crores compared to Rs. 38.25 Crores in the previous year. After providing for all expenses, the after tax profit for the year was Rs. 3.65 Crores as against Rs. 2.37 Crores in the previous year. The Directors are hopeful of achieving better results in the coming years.

3. FUTURE OUT-LOOK:

The company is exploring all the possibilities of expanding its business and your Directors anticipate better performance during the current year.

4. DIVIDEND AND TRANSFER TO RESERVES IN TERMS OF SECTION 134(3) (j) & (k) OF THE ACT:

The company is having accumulated losses and no dividend can be declared.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY - RULE 8 (5) (ii) : NIL

6. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATE COMPANIES/JV COMPANIES – RULE 8 (5) (iv):

The company does not have any such Subsidiary/ Associate Companies/ joint Venture Companies.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND: SECTION 125(2) OF THE ACT.

The provisions of Section 125(2) of the Companies Act, 2013 do not apply for the year under Report as there was no unpaid dividend amount required to be transferred to the Investor Education and Protection Fund Account during the year under report.

8. MATERIAL CHANGES AND COMMITMENTS - SECTION 134(3)(l):

There are no material changes and commitments subsequent to the period of financial statements i.e. from 1st April 2018 to the date signing of the Financial Statements and the report.

9. EXTRACT OF ANNUAL RETURN - SECTION 134 (3) (a) READ WITH SECTION 92(3) OF THE ACT:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT 9** as a part of this Annual Report is given as **ANNEXURE I**

10. DIRECTORS – SECTION 152 (6) OF THE ACT:

During the year, the tenure of Mr. Mohammed Ismail Hejamady and Mr. Elvis Rodrigues was expired on 14.09.2017. However they were appointed as Additional Directors at Board Meeting held on 14.09.2017. Mr. Bellipady Prasad Kaushal was appointed as an Additional Director in the Board Meeting held on 30.06.2017 and his appointment was regularized in the AGM held on 14.09.2017

As per the Articles of Association of the Company, the Directors, Mr. Basir Kinningar, Mr. Abdul Latheef and Mr. Haneefa Aramana, shall retire at this Annual General Meeting and being eligible offers themselves for re-appointment.

11. INDEPENDENT DIRECTORS and DECLARATION- SECTION 134 (3) (e) OF THE ACT:

As per the Companies Act, 2013 the Company is required to appoint Independent Directors and the management has appointed Mr. Bellipady Prasad Kaushal as an Independent Director. Also, the management is in process of appointing one more Independent Director in order to comply with the provisions of the Act.

12. NOMINATION AND REMUNERATION COMMITTEE

The Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. The details are given below.

Name of the Director	Category of the Director
K N Abdul Hameed	Non-Executive Director
Abdul Latheef	Non-Executive Director
Haneefa Aramana	Non-Executive Director

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

13. MEETING OF THE BOARD OF DIRECTORS – SECTION 134 (3) (b) OF THE ACT:

During the Financial Year 2017-2018 the Company held Five meetings of the Board of Directors as per Section 173 of the Companies Act, 2013 as is given below

Sl No.	Date of Meeting	Board Strength	No. of Directors Present
1	26.04.2017	11	5
2	30.06.2017	11	9
3	14.09.2017	10	9
4	05.12.2017	12	8
5	09.03.2018	12	10

14. DIRECTORS' RESPONSIBILITY STATEMENT – 134 (3) (c) OF THE ACT:

In terms of Section 134 (3) (c) of the Companies Act 2013, the Directors confirm the following:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS – SECTION 139 (1) OF THE ACT:

At the Annual General Meeting held on 22.09.2016, the reappointment of M/s. Varma & Varma, Chartered Accountants, (FRN:004532S) were ratified as Statutory Auditors of the Company till the conclusion of the Annual General Meeting to be held for the financial year 2019-20 subject to ratification by shareholders in subsequent Annual General Meetings. Accordingly, in terms of Section 139 (1) of the Companies Act, 2013, Shareholders are requested to ratify their re-appointment for the financial year 2018-19.

16. AUDITOR'S REPORT – SECTION 134 (3) (f) OF THE ACT:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report to the directors.

17. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS – Rule 8 (5) (viii):

There is adequate internal control procedure commensurate with the size of the company and the nature of its business. Further, the board has neither come across nor has been informed of any continuing failure to correct the major weakness in the existing internal control system.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS - SECTION 134 (3) (g) READ WITH SECTION 186 OF THE ACT:

There were no loans; guarantee given and Investments made under Section 186 of the Companies Act, 2013 for the financial year ended 31st March, 2018.

19. RELATED PARTY TRANSACTIONS – SECTION 188 (1) OF THE ACT:

There are transactions, Contracts or Arrangements with related parties made pursuant to Section 188(1) of the Companies Act, 2013. The transactions between the Company and its related parties are at arms length basis in terms of the provisions of Sec.188 of the Companies Act, 2013 and had taken place in ordinary course of business. Details of transactions are given in **ANNEXURE II**

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO – SECTION 134 (3) (m) OF THE ACT:

- (A) **Conservation of energy:** Nil
- (B) **Technology absorption:** Nil

(C) Foreign Exchange Inflow and Outgo:

Foreign Exchange Inflow – Rs. 99,71,116/-

Foreign Exchange Outflow – Rs. 14,79,746/-

21. RISK MANAGEMENT POLICY – SECTION 134 (3) (n) OF THE ACT:

As the company in the process of exploring more business activities. As a management policy it is in the process of evolving its own Risk Management Methods as part of the business and credit policy.

22. PARTICULARS OF EMPLOYEES:

In terms with Rule 5(2) of Companies (Appointment & Remuneration) Rules, 2014, there was no employee who was in receipt of remuneration of Rs. 5 Lakhs or more per month or Rs. 60 Lakhs or more per Annum or in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company during the period under report.

23. DETAILS RELATING TO DEPOSITS – RULE 8 (5) (v) AND (vi):

The Company has not accepted any Deposit falling within the purview of Section 73 of the Companies Act, 2013 read with the Rules made there under. Hence, details as required under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014 are not provided.

24. SHARES

The company has allotted 43,000 Equity Shares during the year.

A to C: Buy Back, Sweat Equity/ Bonus

The Company has not issued any Sweat Equity/Bought back any of its securities during the year under report.

D: Employees Stock Option Plan: The Company has not provided any Stock Option Scheme to the employees.

25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS – Rule 8 (5) (vii):

Directors hereby confirm that there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

26. CORPORATE SOCIAL RESPONSIBILITY POLICY – SECTION 134 (3) (o) OF THE ACT AND RULE 9 :

Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules 2014, is not applicable to the company for the year under Report. However, as and when found necessary the company will undertake various activities under CSR Policy.

27. DISCLOSURE ABOUT COST AUDIT – SECTION 148 OF THE ACT:

The Company was not required to maintain cost records as prescribed by the Central Government as also in terms of Section 148(1) of the Companies Act, 2013.

28. SECRETARIAL STANDARDS – SS 1 AND SS 2 OF THE ICSI:

The Company is generally complying with the Secretarial Standards SS1 and SS2 issued by the Institute of Company Secretaries of India (ICSI) which have become mandatory for compliance.

29. SECRETARIAL AUDIT REPORT – SECTION 204 OF THE ACT:

The Company is required to obtain Secretarial Audit Report as required under Section 204 of the Companies Act, 2013. The report obtained from M/s. JKM & Associates, Company Secretaries is given as **ANNEXURE III**.

30. COMPOSITION OF AUDIT COMMITTEE – SECTION 177 OF THE ACT:

During the year, the Audit committee of the Company was reorganized by including Mr. Bellipady Prasad Kaushal as a member. The composition of Audit Committee as on 31st March, 2018 is given below.

Sl. No	Name of Member	Category
1.	Abdul Latheef	Non-Executive Director
2.	Basir Kinningar	Non-Executive Director
3.	Haneefa Aramana	Non-Executive Director
4.	Bellipady Prasad Kaushal	Independent, Non-Executive Director

The Chief Financial Officer of the Company is a permanent invitee of the Committee. The audit committee may, for the comments of the auditors about internal control systems, the scope of audit including the observations of the auditors and review of the financial statement, place their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the company.

31. ANNUAL EVALUATION – SECTION 134 (3) (p) OF THE ACT.

The Board conducted evaluation through discussions. There were opportunities for the board members to interact with the co members, chairman and independent director. Also opportunities were available for committees to interact with other members.

32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

33. ACKNOWLEDGEMENT:

Your Directors wish to record their deep sense of appreciation for the co-operation and support extended by Promoters, Banks, Customers, well-wishers and employees of the Company.

**By Order of the Board,
For Indiana Hospital and Heart Institute Limited,**

**Place: Mangalore
Date: 24.08.2018**

**Sd/-
Yusuf Aramanayil
Managing Director
Din: 00354740**

**Sd/-
Ali Kumble
Whole-time Director
Din:00353935**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1	CIN	U85110KA2010PLC052336
2	Registration Date	1/2/2010
3	Name of the Company	INDIANA HOSPITAL AND HEART INSTITUTE LIMITED
4	Category/Sub-category of the Company	Company limited by Shares Non-Government Company
5	Address of the Registered office & contact details	MAHAVEER CIRCLE, PUMPWELL KANKANADY POST, MANGALORE-575002
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	HOSPITAL ACTIVITY	85110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1		NIL		

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,68,11,276	2,68,11,276	55.35	-	2,65,16,276	2,65,16,276	54.69	1
b) Central Govt	-				-				-
c) State Govt(s)	-				-				-
d) Bodies Corp.	-				-				-
e) Banks / FI	-				-				-
(f) Relative of Promoters	-				-				-
Sub Total (A) (1)	-	2,68,11,276	2,68,11,276	55.35	-	2,65,16,276	2,65,16,276	54.69	1
(2) Foreign									
a) NRI Individuals	-	97,66,800	97,66,800	20.16	-	97,66,800	97,66,800	20.15	(0)
b) Other Individuals	-				-				-
c) Bodies Corp.	-				-				-
d) Any other	-				-				-
Sub Total (A) (2)	-	97,66,800	97,66,800	20.16	-	97,66,800	97,66,800	20.16	-
TOTAL (A)	-	3,65,78,076	3,65,78,076	75.51	-	3,62,83,076	3,62,83,076	74.84	1

B. Public Share holding																		
<i>1. Institutions</i>																		
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	1,000	1,000	1,000	-	44,000	44,000	44,000	-	0	44,000	44,000	44,000	0	-	-	-	-
2. Non-Institutions																		
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1,000	1,000	1,000	-	44,000	44,000	44,000	-	0	44,000	44,000	44,000	0	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	23,36,320	23,36,320	23,36,320	-	4,82	4,82	4,82	-	5,85	4,82	4,82	4,82	5,85	-	-	-	-

c) Others (specify)	-	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	95,24,000	19.66	-	93,19,000	93,19,000	19.22	-	-	0
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1,18,61,320	24.49	-	1,21,99,320	1,21,99,320	25.07	-	-	1
Total Public (B)	-	1,18,61,320	24.49	-	1,21,99,320	1,21,99,320	25.07	-	-	1
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4,84,39,396	100%	-	4,84,82,396	4,84,82,396	100%	-	-	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Dr. Ali Kumble	95,23,488	19.66	0	96,23,488	19.85	0	-0.19
2	Dr. Yusuf Aramanayil	1,44,03,788	29.74	0	1,44,73,788	29.85	0	-0.11
3	Mr. Kottapurath Nalapurappatil Abdul Hameed	32,75,800	6.76	0	32,75,800	6.76	0	0.00
4	Mr. Haneefa Aramana	21,31,000	4.40	0	16,31,000	3.36	0	1.04
5	Dr. Zulkifli Misri	5,01,000	1.03	0	5,01,000	1.03	0	0.00
6	Mrs. Nifri Yusuf	1,01,000	0.21	0	1,36,000	0.28	0	-0.07
7	Mrs. Bukhari Hakeema Raziya Ali	1,51,000	0.31	0	1,51,000	0.31	0	0.00
8	Mr. Abdul Latheef	34,51,000	7.12	0	34,51,000	7.12	0	0.00
9	Mr. Basir Kinningar	30,40,000	6.28	0	30,40,000	6.28	0	0.00
	TOTAL	3,65,78,076	75.51	0	3,62,83,076	74.85	0	0.66413333

(iii) Change in Promoters' Shareholding

SN	Particulars	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	Dr. Yusuf Aramanyil	Share transfer	1,44,03,788	29.74	1,44,73,788	29.85
2	Dr. Ali Kumble	Share transfer	95,23,488	19.66	96,23,488	19.66
3	Mr. Haneefa Aramana	Share transfer	21,31,000	4.40	16,31,000	3.36
4	Mrs. Nifri Yusuf	Share transfer	1,01,000	0.21	1,36,000	0.28

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Ismail Mohammed			10,00,000	2.06	10,00,000	2.06
2	Mr. U.Hyder Ali			5,00,000	1.03	5,00,000	1.03
3	Mrs. Hazeena Haneefa	30.06.2017	Transfer	0	0.00	5,00,000	1.03
3	Mr. K K Abdulla Haji			3,50,000	0.72	3,50,000	0.72
4	Mr. Gangulli Akbar Hussain			3,50,000	0.72	3,50,000	0.72
5	Mr. Thekkil Veetil Babu			3,50,000	0.72	3,50,000	0.72
6	Ms. Muneera Manzil Baby Abdul Azeez			3,15,000	0.65	3,15,000	0.65
7	Mr. Mohammad Haneefa			2,80,000	0.58	2,80,000	0.58
8	Dr. Abdul Rasheed			2,80,000	0.58	2,80,000	0.58
9	Dr. Sivakantha Svagnanalingam			2,55,320	0.53	2,55,320	0.53
10	Mr. Mottemal Rajan			2,45,000	0.51	2,45,000	0.51

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of the shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Dr. Ali Kumble			95,23,488	19.66	96,23,488	19.85
2	Dr. Yusuf Aramanayil			1,44,03,788	29.74	1,44,73,788	29.85
3	Mr. Kottapurath Nalapurappattil Abdul Hameed			32,75,800	6.76	32,75,800	6.76
4	Mr. Haneefa Aramana			21,31,000	4.40	16,31,000	3.36
5	Mr. Zulkifli Misri			5,01,000	1.03	5,01,000	1.03
6	Mrs. Nifri Yusuf			1,01,000	0.21	1,36,000	0.28
7	Mrs. Bukhari Haleema Raziya Ali			1,51,000	0.31	1,51,000	0.31
8	Mr. Abdul Latheef			34,51,000	7.12	34,51,000	7.12
10	Dr. Elvz Rodriguez			20,000	0.04	20,000	0.04
11	Mr. Basir Kinningar			30,40,000	6.28	30,40,000	6.28

VI. INDEBTEDNESS

 Indebtedness of the Company including interest outstanding/accrued but not due for payment.
 (Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,62,49,146.00	8,441.00	-	8,62,57,587.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,62,49,146.00	8,441.00	-	8,62,57,587.00
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	8,32,25,657.00	-	-	8,32,25,657.00
Net Change	8,32,25,657.00	-	-	8,32,25,657.00
Indebtedness at the end of the financial year				
i) Principal Amount	30,23,489.00	8,441.00	-	30,31,930.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	30,23,489.00	8,441.00	-	30,31,930.00

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Total Amount
1	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
		Mrs. Raziya Ali	Mrs. Nifri Yusuf	
1	Independent Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors			
	GROSS SALARY	6,00,000.00	6,00,000	12,00,000.00
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify salary	-	-	-
	Total (2)	6,00,000.00	6,00,000.00	12,00,000.00
	Total (B) = (1+2)	6,00,000.00	6,00,000.00	12,00,000.00
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Particulars of Remuneration		Name of Key Managerial Personnel		Total Amount
SN.	Name Designation	Mr. Keshavdas (till 30.06.2018)	Mr. Chaithanya V	(Rs)
1	Gross salary	CEO	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,91,000.00	1,54,734.00	7,45,734.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total	5,91,000.00	1,54,734.00	7,45,734.00

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty / Compounding fees imposed	Punishment/ NCLT/ COURT]	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY						
Penalty						
Punishment						
Compounding						
B. DIRECTORS						
Penalty						
Punishment						
Compounding						
C. OTHER OFFICERS IN DEFAULT						
Penalty						
Punishment						
Compounding						

For Indiana Hospital and Heart Institute Limited

YUSUF ARAMANAYIL
 MANAGING DIRECTOR
 DIN: 00354740

ALI KUMBLE
 WHOLE-TIME DIRECTOR
 DIN: 00353935

Annexure-II
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'
1	Dr. Ali Kumble	1.Sale of Medicines 2. Hospital Services Rendered	Continuing Case to Case Case to Case	1.Sale of medicine from pharmacy by raising cash bill – Rs.7,51,640/- 2. Availingservices from hospital – 39,280/-	1. Depending upon the requirement the medicines were taken a same rates as sold to the general public. 2.Availing the best services
2	Mrs. Beefathima	1.Hospital Services rendered		1.Availing services from hospital – 1,62,924/-	1.Availing the best services
3	Mrs. Nifri Yusuf	1.Hospital Services rendered		1.Availing services from hospital – 37,580/-	1.Availing the best services

Form No: MR3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members
INDIANA HOSPITAL AND HEART INSTITUTE LIMITED
CIN: U85110KA2010PLC052336
Mahaveer Circle, Pumpwell,
Kankanady Post, Mangalore - 575002
Karnataka

We, JKM ASSOCIATES, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED, CIN: U85110KA2010PLC052336** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records produced to us and according to the information and explanations given to us by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED**, the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 complied with the provisions of the Companies Act, 2013 (Act) and the Rules made there under, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED**("the Company") for the financial year ended on 31.03.2018 according to the provisions of:

- 1 The Companies Act, 2013 and the Rules made there under.

We report that, during the year under review:

1. The Board of Directors is constituted with Twelve Directors in total comprising of Managing Director, Whole time director, Executive and Non-Executive Directors including Independent Directors.

The company has appointed Mr. V. Chaitanya as CFO in compliance with the provisions of the Companies Act, 2013. However the company is required to appoint a Whole Time Company Secretary.

2. The changes in the composition of the Board of Directors that took place during the period under review were carried out according to the provisions of the Companies Act, 2013.
3. Adequate notice is given to all Directors to schedule the Board Meetings, agenda along with notes to agenda which are sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. The Directors have made the disclosure requirements in respect of their eligibility of appointment, their being independent and in compliance with the code of Business Conduct & Ethics for Directors and Management Personnel. Mr. Prasad Kaushal Bellipady was appointed as an Independent Director during the period under review.
5. The Directors have submitted the disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities.
6. The Company has also not given guarantees to other business entities and has complied with the provisions of the Companies Act, 2013 and any other statutes as may be applicable.
7. The Company has not defaulted in the repayment of unsecured loans, facilities granted by bank(s) financial institution(s) and non-banking financial companies. The Company has not issued Debentures and collected Public Deposits.
8. The Company has created, modified or satisfied charges on the assets of the company and complied with the applicable laws.
9. All registrations under the various state and local laws as applicable to the company are valid as on the date of report.
10. The Company has allotted 43,000 Equity Shares of Face Value Rs.10/- each for a premium of Rs. 2/- per shares totaling to Rs. 5,16,000/- during the period under review and complied with the provisions of the Act.
11. The Company has complied with the relevant provision relating transfer and transmission of shares.
12. The Company has not declared any dividends to its shareholders during the period under scrutiny.

13. The Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the company.
14. The Company has paid all its statutory dues and satisfactory arrangements have been made for arrears of any such dues.

We further report that:

- i. The Company has reasonably followed the Secretarial Standards issued by the Institute of Company Secretaries of India, to the extent applicable.

We further report that:

As per the information and documents provided to us and the explanation given, the company has complied with the following acts given below.

1. THE CLINICAL ESTABLISHMENTS (REGISTRATION AND REGULATION) ACT, 2010
2. THE INDIAN MEDICAL COUNCIL ACT, 1956
3. INDIAN NURSING COUNCIL ACT 1947
4. DRUGS AND COSMETICS ACT 1940
5. THE DRUGS (CONTROL) ACT, 1950
6. THE PHARMACY ACT, 1948
7. NARCOTICS AND PSYCHOTROPIC SUBSTANCES ACT 1985
8. THE DRUGS AND MAGIC REMEDIES (OBJECTIONABLE ADVERTISEMENTS) ACT, 1954
9. THE BIRTHS, DEATHS AND MARRIAGES REGISTRATION ACT, 1886
10. THE MENTAL HEALTH ACT, 1987
11. THE EPIDEMIC DISEASES ACT, 1897
12. THE MEDICAL TERMINATION OF PREGNANCY ACT 1979 AND RULES
13. THE PRE-NATAL DIAGNOSTIC TECHNIQUES (PNDT) ACT & RULES
14. BIO-MEDICAL WASTE (MANAGEMENT AND HANDLING) RULES, 1998. (2016)
15. FOOD SAFETY AND STANDARDS REGULATIONS 2010
16. ATOMIC ENERGY ACT, 1962
17. THE BUILDING AND OTHER CONSTRUCTION WORKS (RE & CE) ACT, 1996
18. THE MINIMUM WAGES ACT, 1948
19. THE PAYMENT OF GRATUITY ACT, 1972
20. THE CHILD LABOUR (PROHIBITION & REGULATION) ACT AND RULES, 1986
21. THE PAYMENT OF BONUS ACT, AND RULES, 1976
22. THE PAYMENT OF WAGES ACT, 1936
23. THE MATERNITY BENEFIT ACT, 1961

24. THE LABOUR LAW (EXEMPTION FROM FURNISHING RETURNS & MAINTAINING REGISTERS BY CERTAIN ESTABLISHMENTS) ACT, 1988
25. INDUSTRIAL EMPLOYMENT (STANDING ORDERS), ACT 1946.
26. INFORMATION TECHNOLOGY ACT, 2000
27. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013
28. THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974
29. THE WATER (PREVENTION AND CONTROL OF POLLUTION) CESS ACT, 1977
30. THE AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981

However the company has reasonably followed the provisions of the below mentioned applicable acts as far as the compliance is concerned:-

1. EMPLOYEES' STATE INSURANCE ACT, 1948
2. EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For JKM Associates

Sd/-

CS PK Krishnamurthy

(Partner)

ACS/FCS No.: 3721,

C P No.: 3671

Place: Cochin

Date: 24.08.2018

'Annexure A'
To,
The Members
INDIANA HOSPITAL AND HEART INSTITUTE LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JKM Associates
Sd/-
CS PK Krishnamurthy
(Partner)
ACS/FCS No.: 3721,
C P No.: 3671

Place: Cochin
Date: 24.08.2018

INDEPENDENT AUDITOR'S REPORT

To

**The Members of Indiana Hospital and Heart Institute Limited
Mangalore,**

Report on the Financial Statements

We have audited the accompanying financial statements of **Indiana Hospital and Heart Institute Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls system with reference to financial statements reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Varma And Varma
(FRN: 004532S)
Sd/-
CA Vivek Krishna Govind
Chartered Accountant
M.No. 208259

Place: Cochin
Date:25.08.2018

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIANA HOSPITAL AND HEART INSTITUTE LIMITED FOR THE YEAR ENDED 31ST MARCH 2018

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets which however requires to be updated.

(b) We are informed that fixed assets of the company are physically verified by the management at reasonable intervals and that no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company except for freehold immovable property comprising of land admeasuring 149.8 cents (Gross and Net value Rs.12,74,08,617) as stated in Note No 2.10.1 to the financial statements.
2. We are informed that the physical verification of inventory has been conducted by the management at the year end and that no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us and the records of the company examined by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the reporting requirements under clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable.
4. According to the information and explanations given to us and the records of the company examined by us, the company has not granted any loans or given any security or guarantee for which the provisions of sections 185 and 186 of the Act are applicable. Company has not made any investment for which section 186 of the Act are applicable.
5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.
7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, except for certain instances of delays in depositing Provident Fund, Income Tax, Service Tax and Goods and service tax, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales

Tax, Service Tax, Goods and Service Tax, Value Added Tax, Cess and other statutory dues, as applicable to the Company to the appropriate authorities during the year.

There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they become payable except the following

Name of Statute	Nature of Dues	Amount Pending (in Rs.)	Period to which the amount relates.	Amount remitted subsequent to 31-03-2018 (in Rs)
Goods and Service Tax Act, 2017	GST	2,69,419	July & August 2017	
Goods and Service Tax Act, 2017	Interest	1,664	July & August 2017	

(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax and cess which have not been deposited with the appropriate authorities.

1. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institution or bank. The Company has not taken any loans or borrowings from financial institutions and government, or raised any money by way of issue of debenture.
2. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans availed by the company have been applied for the purpose for which the loans were obtained.
3. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.

4. According to the information and explanations given to us and the records of the Company examined by us, no managerial remuneration has been paid or provided in the books and hence reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
5. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
6. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in Note 2.31 to the financial statements as required by the applicable accounting standard.
7. According to the information and explanations given to us and the records of the Company examined by us, the company has made private placement/preferential allotment of equity shares during the year and the requirements of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
8. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
9. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place : Cochin
Date : 25.08.2018

For Varma And Varma
(FRN: 004532S)
Sd/-
CA Vivek Krishna Govind
Chartered Accountant
M.No. 208259

ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIANA HOSPITAL AND HEART INSTITUTE LIMITED FOR THE YEAR ENDED 31ST MARCH 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Indiana Hospital and Heart Institute Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls system with financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2018, based on the internal controls with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

We draw attention to Note No. 2.28 to the financial statements regarding the existence of internal controls over financial reporting, which have been reviewed/tested by the management/internal auditors on an ongoing basis, based on which there are no material weakness/deficiencies and that further strengthening of the internal control system/improvements thereof are being assessed/carried out by the management on a continuing basis.

Our opinion is not modified in respect of this matter.

Place: Cochin

Date: 25.08.2018

**For Varma And Varma
(FRN: 004532S)
Sd/-
CA Vivek Krishna Govind
Chartered Accountant
M.No. 208259**

BALANCE SHEET AS AT 31ST MARCH 2018

	Particulars		As at 31st March 2018 (Amount in Rs.)	As at 31st March 2017 (Amount in Rs.)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	51,04,73,960	51,00,43,960
	(b) Reserves and surplus	2.2	(1,25,47,748)	(5,36,75,997)
			49,79,26,212	45,63,67,963
2	Non-current liabilities			
	(a) Long Term Borrowings	2.3	30,23,489	8,27,96,515
	(b) Deferred Tax Liabilities (net)	2.4	43,30,000	-
	(b) Long term provision	2.5	24,61,107	31,67,277
			98,14,596	8,59,63,792
3	Current liabilities			
	(a) Short - term borrowings	2.6	8,441	34,61,072
	(b) Trade payables			
	(i) total outstanding due of micro enterprises and small enterprises;			
	(ii) total outstanding due to creditors other than micro enterprises and small enterprises	2.7	4,54,92,471	4,51,36,470
	(c) Other current liabilities	2.8	8,64,03,739	4,73,88,992
	(d) Short-term provisions	2.9	1,08,115	4,92,700
			13,20,12,766	9,64,79,234
	Total		63,97,53,574	63,88,10,989
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets	2.10		
	(i) Tangible assets-(Property, Plant and Equipment)		55,38,98,753	56,85,03,333
	(ii) Intangible assets		81,389	2,59,155
	(iii) Capital work-in-progress		-	7,75,000
			55,39,80,142	56,95,37,488
	(b) Non Current Investments	2.11	10,000	10,000
	(c) Long Term Loans and Advances	2.12	1,25,26,319	88,83,585
	(d) Other non current assets	2.13	5,236	5,236
			1,25,41,555	88,98,821
2	Current assets			
	(a) Inventories	2.14	1,82,09,511	1,67,51,566
	(b) Trade receivables	2.15	1,52,19,769	2,26,95,834
	(c) Cash and cash equivalents	2.16	3,65,92,115	1,69,16,720
	(d) Short-term loans and advances	2.17	30,71,945	39,11,206
	(e) Other current assets	2.18	1,38,537	99,354
			73,231,877	60,374,680
	Total		63,97,53,574	63,88,10,989
	Significant Accounting policies and Notes to accounts 1&2 The accompanying notes form an integral part of the financial statement.			

As per our report of even date attached

For and on behalf of the Board of Directors

 For VARMA AND VARMA
 (FRN: 004532S)

 Dr. Yusuf A Kumble
 Managing Director
 DIN: 00354740

 Dr. Ali Kumble
 Whole Time Director
 DIN: 00353935

 (C.A.Vivek Krishna Govind)
 Chartered Accountant
 M.No.208259

 CA.Chaitanya V
 Chief Financial Officer

Place : Kochi Date : 25.08.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS AT 31ST MARCH 2018

(Amount in Rs.)

	Particulars		As at 31st March 2018 (Amount in Rs.)	As at 31st March 2017 (Amount in Rs.)
1	Revenue from operations	2.19	42,54,49,173	37,33,74,449
2	Other income	2.20	1,14,14,229	92,21,999
3	Total revenue (1+2)		43,68,63,402	38,25,96,448
4	Expenses			
	(a) Purchase of Medicines & Consumables	2.21	10,63,21,733	9,94,25,200
	(b) Changes in inventories of Medicines & Consumables	2.22	(14,57,945)	(11,56,644)
	(d) Employee benefits expense	2.23	7,15,06,709	6,85,88,622
	(e) Finance costs	2.24	1,07,62,654	1,07,48,176
	(f) Depreciation and amortisation expense	2.10	2,74,17,335	2,94,71,499
	(g) Other expenses	2.25	17,91,72,667	14,91,90,491
	Total expenses		39,37,23,153	35,62,67,344
5	Profit/(Loss) before tax (3 - 4)		4,31,40,249	2,63,29,104
6	Tax expense:			
	Current Tax		42,23,000	26,23,000
	MAT Credit entitlement		(38,32,000)	-
	Deferred Tax		43,30,000	-
	Tax expense for the preceding year		(26,23,000)	-
7	Profit/(Loss) for the year (5 - 6)		4,10,42,249	2,37,06,104
	Earnings per equity share:	2.26		
	Nominal value of share Rs. 10/- (Rs. 10/-)			
	(a) Basic		0.815	0.469
	(b) Diluted		0.815	0.469
	Significant Accounting policies and Notes to accounts 1&2 The accompanying notes form an integral part of the financial statement.			

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

Dr. Yusuf A Kumble
Managing Director
DIN: 00354740

Dr. Ali Kumble
Whole Time Director
DIN: 00353935

(C.A.Vivek Krishna Govind)
Chartered Accountant
M.No.208259

CA.Chaitanya V
Chief Financial Officer

Place : Kochi
Date : 25.08.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2018

	Particulars	For the year ended 31st March 2018		For the year ended 31st March 2017	
A	Cash Flow from Operating activities				
	Net Profit/(Loss) before tax, and extraordinary item		4,31,40,249		2,63,29,104
	Adjustments for :				
	Depreciation & Amortisation Expense	2,74,17,335		2,94,71,499	
	Loss/(Gain) on Foreign Exchange Variation	64,32,698		(39,23,501)	
	Provision for bad and doubtful debts	8,96,752		18,81,976	
	Bad debts and advances written off	57,067		11,64,074	
	Interest expenditure	1,04,16,877		97,15,899	
	Liability No longer required to be written back	(73,38,897)		(4,07,302)	
	Assets Discarded Written off	49,352		-	
Interest income	(20,34,100)	3,58,97,084	(14,86,260)	3,64,16,385	
	Operating Profit / (Loss) before Working Capital Changes		7,90,37,333		6,27,45,489
	Adjustments for working capital changes:				
	(Increase)/Decrease in Trade & Other Receivables	71,11,614		(1,10,86,526)	
	(Increase)/Decrease in Inventories	(14,57,945)		(11,56,644)	
	Increase/(Decrease) in Trade Payables and other Current Liabilities	16,41,001	72,94,670	(93,74,071)	(2,16,17,241)
	Cash generated from Operations		8,63,32,002		4,11,28,248
	Direct Taxes paid		(11,60,841)		(7,44,729)
	Net Cash from/(used) in Operating Activities		8,51,71,162		4,03,83,519
B	Cash Flows from Investing Activities				
	Purchase of Fixed assets	(1,19,09,341)		(85,67,406)	
	Interest Received	19,94,917		14,03,696	
	Net Cash from/(used) in Investing Activities		(99,14,424)		(71,63,710)
C	Cash Flows from Financing Activities				
	Proceeds from issuance of share capital	5,16,000		12,00,000	
	Proceeds from/Repayment of Long Term Borrowings	(4,52,81,726)		(3,18,03,737)	
	Interest Paid	(1,08,15,617)		(96,85,923)	
	Net Cash from/(used) in Financing Activities		(5,55,81,343)		(4,02,89,660)
	Summary				
	Net Cash from/(used) Operating Activities	8,51,71,162		4,03,83,519	
	Net Cash from/(used) in Investing Activities	(99,14,424)		(71,63,710)	
	Net Cash from/(used) in Financing Activities	(5,55,81,343)		(4,02,89,660)	
	Net Increase (Decrease) in Cash Equivalents	1,96,75,395		(70,69,851)	
	Cash and Cash Equivalents at beginning of the year	1,69,16,720		2,39,86,571	
	Cash and Cash Equivalents at the end of the year	3,65,92,115		1,69,16,720	
		1,96,75,395		(70,69,851)	

Note: 1) Balance with bank in deposit accounts includes Rs. 1,64,08,147/- (Rs. 1,50,26,439/-) held as margin money deposits towards bank loans/ guarantees. 2) Balance with bank in deposit includes Rs.74,88,351/- (Rs. 29,94,931/-) with maturity period more than 12 months.

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

Dr. Yusuf A Kumble
Managing Director
DIN: 00354740

Dr. Ali Kumble
Whole Time Director
DIN: 00353935

(C.A.Vivek Krishna Govind)
Chartered Accountant
M.No.208259

CA.Chaitanya V
Chief Financial Officer

Place : Kochi
Date : 25.08.2018

Indian Hospital & Heart Institute Ltd.

Significant accounting policies

1.1 Basis of accounting

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which they are known/materialised.

1.3 Revenue Recognition

a) Income from Healthcare services is recognized on completed service contract method. The hospital collections of the company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in -patients undergoing treatments as on 31st March 2018.

b) Pharmacy sales are recognized when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT/GST wherever applicable.

1.4 Tangible Asset (Property, Plant and Equipment)

Property, Plant and equipments are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost includes purchase price, (inclusive of import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-in-progress.

1.5 Intangible Assets

Hospital Management System Software of the company is treated as an Intangible Asset in accordance

with the Accounting Standard 26- “ Intangible Assets”. accordance with the Accounting Standard 26- “ Intangible Assets”.

1.6 Depreciation / Amortization

Depreciation on Tangible Assets (Property, Plant and Equipment) is provided on straight line method based on the useful life prescribed in Schedule II to the Companies Act, 2013, based on a review by the management at the year end. Intangible assets are written off over a period of 3 years.

1.7 Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that the asset may be impaired. An asset is identified as impaired ,when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognized in the prior accounting year is reversed if there is a change in the estimate of recoverable amount.

1.8 Investments

Non Current investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

1.9 Inventories

Inventories are valued at lower of cost, determined on first in first out basis or net realisable value.

1.10 Foreign Currency transactions

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last date of the accounting year and the resultant exchange difference, if any, are recognised in the Statement of Profit and Loss . Exchange differences arising on actual payments/ realizations are recognized in the statement of Profit and Loss.

1.11 Employee Benefits

i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

ii) Defined Contribution Plans

The company makes contributions to Provident Fund, which is a defined contribution plan for employees. The contributions paid/payable under the scheme during the year are charged to the Statement of Profit and Loss for the year.

iii) Defined Benefit Plans

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, is recognised in the books of account. Actuarial gains and losses are recognised in full

in the Profit & Loss account for the period in which they occur.

1.12 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

1.13 Taxes on Income

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is accounted using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised to the extent there is reasonable certainty of their realisation. Deferred tax in respect of timing differences, which originate and reverse during a tax holiday period, are not recognised to the extent the gross total income is subject to the deduction during the tax holiday period.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the accounts.

1.15 Segment Reporting

Based on the guiding principles given in Accounting Standard AS-17 “Segment Reporting”, the company has only one reportable segment i.e. Hospital Activities”.

1.16 Earnings per Share

The earnings considered in ascertaining the company’s Earnings per Share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average shares considered for deriving the basic earning per share and also the weighted average number of shares, of any shares, which would have been issued on the conversion of all dilutive potential equity shares.

2.0 Notes to Accounts

2.1 Share Capital

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Authorised:		
5,58,00,000 (5,58,00,000) Equity Shares of Rs 10/- each	55,80,00,000	55,80,00,000
420,000 (4,20,000) Preference Shares of Rs 100/- each	4,20,00,000	4,20,00,000
	60,00,00,000	60,00,00,000
Issued, Subscribed & Fully Paid -up		
4,84,82,396(4,84,39,396) Equity Shares of Rs 10/- each fully paid up have been issued for consideration other than cash)	48,48,23,960	48,43,93,960
2,53,500 (2,53,500) 5% Redeemable Cumulative Preference Shares of Rs 100/- each	2,53,50,000	2,53,50,000
3000 (3,000) Convertible Preference Shares of Rs 100/- each	3,00,000	3,00,000
	51,04,73,960	51,00,43,960

2.1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31st March 2018		31st March 2017	
	No.	Amount (in Rs.)	No.	Amount (in Rs.)
At the beginning of the period	4,84,39,396	48,43,93,960	4,67,37,396	46,73,73,960
Add: Issued during the period	43,000	4,30,000	17,02,000	1,70,20,000
Outstanding at the end of the period	4,84,82,396	48,48,23,960	4,84,39,396	48,43,93,960

5% Cumulative Redeemable Preference shares	31st March 2018		31st March 2017	
	No.	Amount (in Rs.)	No.	Amount (in Rs.)
At the beginning of the period	2,53,500	2,53,50,000	3,67,500	3,67,50,000
Add: Issued during the period (See Note 2.29)				
Less: Redeemed during the period			1,14,000	1,14,00,000
Outstanding at the end of the period	2,53,500	2,53,50,000	2,53,500	2,53,50,000

Convertible Preference shares	31st March 2018		31st March 2017	
	No.	Amount (in Rs.)	No.	Amount (in Rs.)
At the beginning of the period	3,000	3,00,000	49,200	49,20,000
Add: Issued during the period	-	-	1,14,000	1,14,00,000
Less: Redeemed during the period	-	-	1,60,200	1,60,20,000
Outstanding at the end of the period	3,000	3,00,000	3,000	3,00,000

2.1.2 Rights, preferences and restrictions attaching to each class of shares

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Terms/rights attached to preference shares

Convertible Preference shares are convertible with in 10 years from the date of issue (issued in February 2011) at such times as may be decided by the Board.

5% Redeemable Cumulative Preference shares are redeemable with in a period of 10 years from the date of issue at the discretion of the Board.

Particulars	Issue Date				Total
	Nov-2010	Dec-2010	Jan-2011	Feb-2013	
Opening Balance	4,500	2,30,700	9,000	9,300	2,53,500
Less: Redeemed during the year	-	-	-	-	-
Closing Balance	4,500	2,30,700	9,000	9,300	2,53,500

2.1.3 Details of shareholders holding more than 5% shares in the company as at the end of the year

Equity shares of Rs 10/- each fully paid up	31st March 2018		31st March 2017	
	No.	% holding in the class	No.	% holding in the class
Yusuf A.Kumble	1,44,73,788	29.85%	1,44,03,788	29.74%
Ali Kumble	96,23,488	19.85%	95,23,488	19.66%
K.N. Hameed	32,75,800	6.76%	32,75,800	7.12%
Bashir Kinnigar Ibrahim	30,40,000	6.27%	30,40,100	6.76%
Abdul Lathif	34,51,000	7.12%	34,51,000	6.28%

5% Redeemable Cumulative Preference shares of Rs 100/- each Fully Paid Up	31st March 2018		31st March 2017	
	No.	% holding in the class	No.	% holding in the class
Gangulli Akbar Hussain	15,000	5.92%	15,000	5.92%
K K Abdulla Haji	15,000	5.92%	15,000	5.92%
Thekkil Veetil Babu	15,000	5.92%	15,000	5.92%
Muneera Manzil Baby Abdul Azeez	13,500	5.33%	13,500	5.33%

Convertible Preference shares of Rs 100/- each Fully Paid Up	31st March 2018		31st March 2017	
	No.	% holding in the class	No.	% holding in the class
KK Moidu	1,500	50.00%	1,500	50.00%
Bekal Abdulla	1,500	50.00%	1,500	50.00%

2.2 Reserves and Surplus

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Securities Premium Reserve	2,86,000	2,00,000
Surplus		
Opening Balance	(5,38,75,997)	(7,75,82,101)
Add: Profit for the period as per Statement of Profit and Loss after tax	4,10,42,249	2,37,06,104
	(1,28,33,748)	(5,38,75,997)
Closing balance	(1,25,47,748)	(5,36,75,997)

2.3 Long term Borrowings

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
a) Term Loans (Secured)		
-From Banks (See Note 2.3.1 and 2.3.2)	30,23,489	4,21,13,349
b) Buyers credit (Secured)		
- From Banks (See Note 2.3.2 and 2.3.3)	-	4,06,83,166
	30,23,489	8,27,96,515

2.3.1 Details of Security:

Federal Bank:

a) Term Loan-I& II:

Secured by the assets procured out of loan amount and also by the equitable mortgage of buildings of the company and are guaranteed by the directors for the full amount.

b) Term Loan III

Secured by equitable mortgage of land and by hypothecation of plant & machinery and other equipment acquired or to be acquired out of the term loan and fixed deposit of Rs.73.31 lakhs

c) Vehicle Loan:

The vehicle loan is secured by hypothecation of asset procured out of loan and are guaranteed by the directors for the full amount.

2.3.2 Repayment and other terms:

(Amount in Rs.)

Particulars	Terms	Current Maturity	Non- Current
Federal Bank Term Loan - I	Repayable in 50 monthly instalments(exclusive of interest) of 12083.66/- USD from march 2015, and last instalment of 23,799/- USD	93,92,490 (94,07,922)	23,47,046 (1,18,14,916)
Federal Bank Term Loan - II	Repayable in 41 equated monthly instalments of Rs. 16,59,083 each (inclusive of interest) from January, 2016	1,88,77,168 (1,66,41,999)	4,88,428 (1,93,60,807)
Federal Bank Term Loan - III	Repayable in 41 monthly instalments of Rs. 8,95,833 each (exclusive of interest), from October 2017	1,02,08,658 -	- -
Federal Bank Vehicle Loan	Repayable in 60 equated monthly instalments of Rs 17000 each (inclusive of interest) from August 2014	33,755 (1,67,150)	1,88,015 (22,019)
Corporation Bank Term Loan-I	Repayable in 72 Equated monthly instalments of Rs. 10,03,706/- each (inclusive of interest)starting from May 2013.	- (97,68,694)	- (10,484,680)
Corporation Bank Term Loan-II	Repayable in 48 Equated monthly instalments of Rs.9,69,000/- each (inclusive of interest)starting from June 2015	- (6)	- -
Corporation Bank Vehicle Loan	Repayable in 60 Equated monthly instalments of Rs.16,401/- each (inclusive of interest)starting from September 2014	- (1,58,135)	- (230,927)
Current Year		3,85,12,071	30,23,489
Previous Year		(3,61,43,906)	(421,13,349)
Buyers Credit-Corporation Bank-I	Buyers credit having tenure of 36 months from the date of its availment. Availed in November, 2014	- (29,11,096)	- -
Buyers Credit-Corporation Bank-II	Buyers credit having tenure of 36 months from the date of its availment. Availed in January, 2016	- -	- (18,68,558)
Buyer's Credit - Federal Bank	Buyer's Credit having a tenure of 36 months from the date of its availment. Availed in January, 2016.	4,49,19,560 -	- (3,88,14,608)
Current Year		4,49,19,560	-
Previous Year		(29,11,096)	(4,06,83,166)

2.3.3

The buyer's credit facility from Corporation bank is a sub-limit of the term loan, which is intended to be converted into the term loan on maturity and is secured by Fixed Deposits maintained at the bank and by lien on assets procured using the facility and also by equitable mortgage of land and buildings of the company and are guaranteed by the directors for full amount.

Buyers Credit Facility from federal bank has been availed under the existing limits of Letter of Credit sanctioned by the bank and are secured by machinery procured under the said facility.

2.4 Deferred Tax Liabilities (Net)

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	4,79,18,000	-
Gross Deferred Tax Liability	4,79,18,000	-
B. Deferred Tax Assets		
On provisions/other disallowances	30,12,000	-
On unabsorbed depreciation	4,05,76,000	-
Gross Deferred Tax Assets	4,35,88,000	-
Net Deferred Tax Liabilities	43,30,000	-

2.5 Long-term Provisions

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Provision for Employee benefits (See also Note 2.5.1)	24,61,107	31,67,277
	24,61,107	31,67,277

2.5.1 Disclosures required under Accounting Standard 15 - "Employee Benefits"

1. Defined Contribution Plan

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Employers contribution to ESI	8,08,380	5,99,270
Employers contribution to Provident Fund	19,53,930	12,89,008

2. Defined Benefit Plan

Gratuity – Unfunded Obligation

i Actuarial Assumptions	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Discount Rate (per annum)	7.71%	8.00%
Salary escalation rate*	5.00%	5.00%
Attrition rate	5.00%	5.00%

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii Reconciliation of present value of obligations	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Present value of obligation at beginning of the year	31,92,164	25,74,296
Current Service Cost	10,19,007	12,96,330
Past Service Cost	-	-
Interest Cost	2,55,374	2,59,397
Actuarial (gain)/loss	77,423	(9,37,859)
Benefits Paid	(19,74,747)	-
Present value of obligation at the end of the year	25,69,221	31,92,164

iii Net (Asset)/ Liability recognized in the Balance Sheet as at year end	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Present value of obligations at the end of the year	25,69,221	31,92,164
Fair value of plan assets at the end of the year.	-	-
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	25,69,221	31,92,164

iv Expenses recognised in the Statement of Profit and Loss	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Current Service Cost	10,19,007	12,96,330
Interest Cost	2,55,373	2,59,397
Actuarial (gain) / loss recognised in the period	(18,97,324)	(9,37,859)
Past Service Cost		
Total expenses recognised in the Statement of Profit and Loss for the year	(6,22,944)	6,17,868

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

2.6 Short term borrowings

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
a) Loans repayable on demand		
From Related Parties		
Directors (Unsecured)	8,441	8,441
From Banks		
Corporation Bank -Working Capital	-	34,52,631
	8,441	34,61,072

2.5.1 Loan from the Directors are repayable on demand

2.5.2 The loan is secured by continuing equitable mortgage of the hospital building and hypothecation of fixed assets already mortgaged/hypothecated to bank and are guaranteed by the directors for the full amount. Repayable on demand subject to annual review/renewal.

2.7 Trade payables

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 2.7.1)	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,54,92,471	4,51,36,470
	4,54,92,471	4,51,36,470

2.7.1 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006 and the same is in progress. Based on available information, there are no balance outstanding as payable to such suppliers as at the year end. In the opinion of the management there are no amounts paid/payable towards interest under the said statute.

2.8 Other Current liabilities

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
a) Current maturities on long term borrowings (See Note 2.3.2)		
- Term Loan	3,85,12,071	3,61,43,906
- Buyers Credit	4,49,19,560	29,11,096
b) Interest accrued but not due on borrowings	2,77,524	6,76,264
c) Statutory dues payable	20,87,123	19,05,531
d) Security deposits	3,58,000	5,43,600
e) Advance from patients	2,49,461	2,18,595
f) Other Liabilities	-	49,90,000
	8,64,03,739	4,73,88,992

2.9 Short term provisions

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Provision for employee benefits [See Note 2.5.1]	1,08,115	24,887
Provision for value added tax	-	4,67,813
	1,08,115	4,92,700

2.11 Non Current Investments

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Investment in National Savings Certificate	10,000	10,000
	10,000	10,000
2.9.1 The above investment is held under lien with the sales tax authorities		

2.12 Long Term Loans and Advances

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Unsecured, considered good		
a) Security Deposits	37,27,665	34,77,772
b) Advance income tax/Tax Deducted at Source (net)	87,98,654	54,05,813
	1,25,26,319	88,83,585

2.13 Other Non current Assets

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(i) Accrued interest on investment	5,236	5,236
	5,236	5,236

2.14 Inventories

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Medicines	93,79,091	72,17,553
(b) Consumables	88,30,420	95,34,013
	1,82,09,511	1,67,51,566

Method of Valuation of Inventories - See Note 1.9 of Significant Accounting Policies.

2.15 Trade receivables

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered Good	15,62,349	30,58,931.00
- Unsecured, Considered Doubtful	32,21,791	25,78,098
Less: Provision for doubtful debts	(32,21,791)	(25,78,098)
Other Debts		
- Unsecured, Considered Good	1,36,57,420	1,96,36,903
- Unsecured, Considered Doubtful	2,53,059	-
Less: Provision for doubtful debts	(2,53,059)	-
	1,52,19,769	2,26,95,834

2.16 Cash and cash equivalents

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Balances with banks		
(i) In current accounts	81,65,395	10,14,065
(ii) In deposit accounts (See Note 2.16.1 & 2.16.2)	2,76,10,506	1,50,26,439
(b) Cash on hand	8,16,214	8,76,216
	3,65,92,115	1,69,16,720

2.16.1 Balance with bank in deposit accounts includes Rs. 1,64,08,147/- (Rs. 1,50,26,439/-) held as margin money deposits towards bank loans/guarantees.

2.16.2 Balance with bank in deposit account includes Rs 74,88,351 (Rs.29,94,931/-) with maturity period more than 12 months.

2.17 Short Term Loans and Advances

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(Unsecured and considered good)		
Prepaid expenses	23,80,338	36,28,181
Other advances recoverable in cash or in kind.	6,91,607	2,83,025
	3,071,945	39,11,206

2.18 Other Current Assets

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(i) Interest accrued on Deposits	1,38,537	99,354
	1,38,537	99,354

2.19 Revenue from Operations

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(i) Revenue from Health care service	34,20,72,686	29,71,85,552
(ii) Pharmacy collection	8,33,76,487	7,61,88,897
	42,54,49,173	37,33,74,449

2.20 Other Income

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(i) Interest Income	20,34,100	14,86,260
(ii) Foreign Exchange rate variation (Net)	-	39,23,501
(iii) Provision for gratuity no longer required written back	6,22,942	-
(iv) Liabilities/Provisions no longer required written back	67,15,955	-
(v) Other non- operating income	20,41,232	38,12,238
	1,14,14,229	92,21,999

2.21 Purchase of Medicines and Consumables

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Inventories at the end of the year		
(i) Medicines	93,79,091	72,17,553
(ii) Consumables	88,30,420	95,34,013
	1,82,09,511	1,67,51,566
Inventories at the beginning of the year		
(i) Medicines	72,17,553	58,66,291
(ii) consumables	95,34,013	97,28,631
	1,67,51,566	1,55,94,922
	(14,57,945)	(11,56,644)

2.23 Employee benefits expense

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Salaries and allowances	6,74,41,481	6,35,90,695
(b) Contributions to provident and other funds	28,62,013	18,90,228
(c) Staff welfare expenses	12,03,215	24,89,831
(d) Gratuity	-	6,17,868
	7,15,06,709	6,85,88,622

2.24 Finance Costs

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Interest expenses	52,54,012	97,15,899
(b) Other borrowing cost	20,26,146	10,32,277
(c) Net loss on foreign cost transaction on foreign currency transaction and translation	34,82,497	-
	1,07,62,654	1,07,48,176

2.25 Other expenses

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Power, fuel & water charges	1,42,10,517	1,22,03,995
(b) Consultancy charges - Doctors	11,43,29,046	9,45,63,922
(c) Professional Charges	8,83,690	12,25,887
(d) House Keeping expenses	90,53,437	81,79,675
(e) Lab Testing Charges	18,22,651	13,21,315
(f) Rent	1,39,500	1,40,000
(g) Rates and taxes	23,56,397	25,21,591
(h) Repairs to :Machinery	64,54,496	37,31,383
:Building	21,56,483	18,90,280
(i) Other Administrative expenses	22,33,197	24,07,306
(j) Payments to auditors	7,70,233	5,83,636
(k) Communication	7,64,798	8,37,406
(l) Traveling charges	25,68,732	11,28,010
(n) Bad debts and advances written off	57,067	11,64,074
Less: Provision made	-	(5,07,962)
	57,067	6,56,112
Provision for bad and doubtful debt	8,96,752	18,81,976
(o) Advertisement/Sales Promotion Expenses	80,69,856	54,08,989
(p) Food and Refreshment Expenses	20,94,238	14,66,961
(q) Miscellaneous expenses	3,24,711	26,43,563
(r) Foreign exchange rate variation (Net)	29,50,201	-
(r) Assets discarded written off	49,352	-
(s) Printing and Stationery	29,45,685	30,70,710
(t) Hiring Charges	28,39,735	26,66,405
(u) Insurance	12,01,894	6,61,369
	17,91,72,667	14,91,90,491

2.25.1 Payment to auditors:

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
(a) Statutory Audit Fee	5,50,000	4,50,000
(b) for Taxation Matters (Including tax audit)	60,000	40,000
(c) Other services	1,3,500	
(d) Reimbursement of Expenses	36,933	17,510
(e) GST/Service Tax on above	1,09,800	76,126
	7,70,233	5,83,636

2.26 Earning per Equity share:

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Basic		
Net Profit/(Loss) for the year as per profit and loss	41,042,249	23,706,104
Less: Preference dividend on 5% cumulative redeemable preference share (including applicable dividend distribution tax)	(1,525,533)	(1,525,533)
Net Profit/(Loss) for Basic earning per share	39,516,716	22,180,571
Weighted average number of equity shares @ Rs 10each, fully paid up	48,479,451	47,255,023
Earning per share(Basic)	0.815	0.469
Diluted		
Net Profit/(Loss) for the year for Diluted earningsper share	39,516,716	22,180,571
Weighted average number of equity shares @ Rs 10	48,479,451	47,255,023
Potential equity shares	30,000	30,000
Weighted average number of equity shares for diluted earning per share	48,509,451	47,285,023
Earning per share (Diluted)	0.815	0.469

Note 2.10 Fixed assets
i) Tangible assets

Particulars	Gross Block			Accumulated Depreciation and Impairment			Net Block		
	As at 1st April, 2017 Amount	Additions	Adjustments/ Deductions during the year	As at 31st March 2018 Amount	As at 1st April, 2017 Amount	For the year	Adjustments/ Deductions during the year	As at 31st March 2018 Amount	As at 31st March 2017 Amount
(a) Land	12,74,08,617 (12,74,08,617)	-	-	12,74,08,617 (12,74,08,617)	-	-	-	12,74,08,617 (12,74,08,617)	12,74,08,617 (12,74,08,617)
(b) Buildings	27,06,34,533 (27,08,47,698)	15,04,038 (12,56,089)	-	27,21,38,571 (27,06,34,533)	2,13,54,536 (1,67,70,455)	49,37,274 (45,84,081)	-	24,58,46,761 (24,92,79,997)	24,92,79,997 (25,40,77,243)
(c) Plant and Equipment									
(i) Medical Equipments	17,81,12,505 (17,50,82,777)	55,63,037 (56,68,368)	73,066 (26,38,640)	18,36,02,476 (17,81,12,505)	4,68,90,980 (3,50,04,833)	1,37,01,418 (1,45,24,787)	30,715 (26,38,640)	12,30,40,793 (13,12,21,525)	13,12,21,525 (14,00,77,944)
(ii) Other Equipments	6,75,23,426 (6,56,80,622)	425,443 (18,42,804)	-	6,79,48,869 (6,75,23,426)	21,80,5847 (1,66,04,737)	53,49,047 (52,01,110)	-	4,07,93,975 (4,57,17,580)	4,57,17,580 (4,90,75,885)
(d) Furniture and Fixtures	2,08,03,127 (1,97,40,638)	41,24,236 (10,62,489)	38,300	2,48,89,063 (2,08,03,127)	99,06,200 (81,25,403)	1,984,380 (17,80,797)	31,299	1,30,29,782 (10,896,927)	1,08,96,927 (1,16,15,235)
(e) Office equipment	31,12,027 (30,91,501)	5,74,059 (20,526)	-	36,86,086 (31,12,027)	27,38,620 (21,10,761)	1,02,534 (6,27,859)	-	8,44,932 (3,73,407)	3,73,407 (9,80,740)
(f) Computers	98,80,412 (88,37,180)	4,93,529 (10,43,232)	-	1,03,73,941 (98,80,412)	86,53,767 (64,60,446)	7,07,110 (21,93,321)	-	10,13,064 (12,26,645)	12,26,645 (23,76,734)
(g) Motor Vehicles	38,06,780 (38,06,780)	-	-	38,06,780 (38,06,780)	14,28,145 (9,70,339)	4,57,806 (4,57,806)	-	19,20,829 (23,78,635)	23,78,635 (28,36,441)
Total	68,12,81,427 (67,44,95,813)	1,26,84,342 (1,08,93,508)	1,11,366 (41,07,894)	69,38,54,403 (68,12,81,427)	11,27,78,095 (8,60,46,974)	2,72,39,569 (2,93,69,761)	62,014 (26,38,640)	13,99,55,650 (11,27,78,095)	55,38,98,753 (56,85,03,333)
(Previous year)									58,84,48,839

Note 2.10 Fixed assets (continued)
ii) Intangible Asset

[Figures in Rupees]

Particulars	Gross Block		Accumulated Depreciation and Impairment				Net Block			
	As at 1st April, 2017 Amount	Additions	Adjustments/ Deductions during the year	As at 31st March 2018 Amount	As at 1st April, 2017 Amount	For the year	Adjustments/ Deductions during the year	As at 31st March 2018 Amount	As at 31st March 2017 Amount	
Software	43,93,819 (40,85,772)	- (3,08,047)	-	43,93,819 (43,93,819)	41,34,664 (40,32,926)	1,77,766 (1,01,738)	-	43,12,430 (41,34,664)	81,389 (2,59,155)	2,59,155 (52,846)
Total	43,93,819	-	-	43,93,819	41,34,664	1,77,766	-	43,12,430	81,389	2,59,155
(Previous year)	(40,85,772)	(3,08,047)	-	(43,93,819)	(40,32,926)	(1,01,738)	-	(41,34,664)	(2,59,155)	(52,846)

Capital work in progress

Particulars	As at 1st April, 2017 Amount	Additions	Transfers	As at 31st March 2018 Amount
Building	-	37,30,740	37,30,740	-
Medical Equipments	7,75,000	-	7,75,000	-
Total	7,75,000	37,30,740	45,05,740	-
Previous year	-	(31,49,862)	(23,74,862)	(7,75,000)

Note: 2.10.1 Land admeasuring 149.8 cents (149.8 cents) having a value of Rupees 12,74,08,617/- (Rs. 12,74,08,617/-) were transferred to the company as a result of conversion of partnership from into the company & is not registered in the name of the Company.

2.27.1 Contingent liabilities not provided for:

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
a) Bank Guarantees	50,29,396	54,97,209
b) Preference Dividend on 5% Cumulative Redeemable preference shares of Rs 100 each, not declared by the company	1,10,34,611	95,09,078

2.27.2 Provisions

Particulars	Balance as on 01-04-2017	Additional Provision during the Year	Amounts used/changed during the year	Unused amounts reversed	Balance as on 31-03-2018
Provision for Value Added Tax	4,67,813	-	-	4,67,813	-

2.28 Other Commitments

In respect of Capital Goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs.71,72,714/- (1,70,73,830/-) which is required to be fulfilled at different dates until 2021. In the event of non fulfilment of the export obligation, the Company will be liable for Customs duties and penalties as applicable.

2.29 The company has an internal control system in place, including in relation to internal financial controls over financial reporting, which is commensurate with the nature and size of its operations. These internal controls are reviewed/tested by the management/internal auditors on an ongoing basis and there are no material weakness/deficiencies. Further strengthening of the internal control systems/improvements are being assessed/carried out by the management on a continuing basis.

2.30 Purchase Commitments

The company had taken certain equipment's from suppliers on operating type lease against payment by agreed annual business commitments for purchase of material in reagents, i.e. controls and consumables for an agreed sum, for the agreed duration under the relative agreement. The company has the following commitments under these agreements:

Particulars	Less than 1 year (Amount in Rs.)	Later than 1 year and not later than 5 years (Amount in Rs.)	Less than 5 year (Amount in Rs.)
Towards value of consumables to be procured from the Lessor(s)	2,11,52,490 -	20,85,841 (2,36,33,888)	Nil (Nil)

2.31 Related Party disclosures as per Accounting Standard - 18 "Related Party Disclosures":

Related party and Nature of Relationship:

- a) Key Managerial Personnel

Name	Designation
Dr. Yusuf Kumble	Managing Director
Dr. Ali Kumble	Whole Time Director

b) Relatives of Key Managerial Personnel

Name	Designation/Nature of Relationship
Mrs. Nifri Yusuf	Director/Relative of Key Managerial Personnel
Mrs. Raziya Ali	Director/Relative of Key Managerial Personnel
Mrs. Beefathima	Relative of Key Managerial Personnel

Details of transactions with related parties:

Particulars	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
1. Remuneration		
a. For Professional Services		
Dr. Yusuf Kumble	1,52,66,363	1,40,21,172
Dr. Ali Kumble	59,92,084	47,20,832
b. Salary		
Mrs. Raziya Ali	6,00,000	6,00,000
Mrs. Nifri Yusuf	6,00,000	6,00,000
c. Sale of Medicines		
Dr. Ali Kumble	7,51,640	3,73,928
2. Conversion of Preference shares into Equity Shares		
Dr. Yusuf Kumble	-	22,00,000
Dr. Ali Kumble	-	1,50,000
3. Hospital Services rendered		
Mrs. Beefathima	1,62,924	-
Dr. Ali Kumble	39,280	-
Mrs. Nifri Yusuf	37,580	-
4. Balances at year end		
a. Trade Payables		
Dr. Yusuf Kumble	2,53,641	3,79,891
Dr. Ali Kumble	78,321	1,69,486
b. Loans Received		
Dr. Ali Kumble	8,441	8,441

2.32 Additional Information

2.32.1

Expenditure in foreign currency;-	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Interest on Term Loan	6,78,676	11,47,374
Interest on Buyers Credit	4,35,167	4,46,252
Business Tours	3,26,986	-
Subscriptions of Magazines	38,917	-

2.32.2

Vale of imports calculated on CIF Basis	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Capital Goods	15,56,400	Nil

2.32.3

Vale of imports calculated on CIF Basis	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
Export of Services	99,71,116	61,60,785

2.33 The estimated amounts of contracts remaining to be executed on capital account and not being provided for as at 31-03-2018, net of advance is Rs.3,10,000/- (Rs.2,90,134/-)

2.34 In the opinion of Directors, Loans and Advances and Other Current Assets have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

2.35 The figures in brackets, unless otherwise stated represents figures for the financial year. Figures have been rounded off to the nearest Rupee. Figures of the previous year have been regrouped recast where ever necessary to suit the classification/disclosure of the current year.

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

Dr. Yusuf A Kumble
Managing Director
DIN: 00354740

Dr. Ali Kumble
Whole Time Director
DIN: 00353935

(C.A.Vivek Krishna Govind)
Chartered Accountant
M.No.208259

CA.Chaitanya V
Chief Financial Officer

Place : Kochi
Date : 25.08.2018



**Form No. MGT-11
Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U85110KA2010PLC052336

Name of the Company: INDIANA HOSPITAL AND HEART INSTITUTE LIMITED

Registered office: Mahaveer Circle, Pumpwell, Kankanady Post, Mangalore KA 575002

Name of the Member(s):
Registered address:
E-mail Id:
Folio No :

I/We being the member of....., holding.....shares, hereby appoint

- Name:.....
Address:
E-mail Id:
Signature:, or failing him
- Name:.....
Address:
E-mail Id:
Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of members of the Company, to be held on 27.09.2018 at the registered office of the Company at 10.00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1

Affix Revenue Stamp

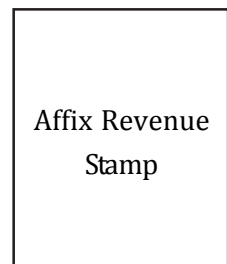
2

3

4

5

Signed this day of..... 2018





Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.